FOOD-SERVICE CHAIN STOCK ANALYSIS TABLE

NRN stock index continues two-month slide

(Continued from page 132)

volume trends list and the percentage price loser list. Sis Corp. fell $1.25 per share, to close at $3.25, a 52-week low. About 21,400 shares traded hands during the week, 214% of the normal weekly volume.

Other price losers included Maverick Restaurants, which was down 75¢, to $3, after rebounding from a $2.88 52-week low. Beefsteak Charlie's, down 38¢, to $2, also rebounded during the week from a $1.88, 52-week low.

Kelly-Johnston, which changed chairmen, fell 25¢, to $1.38. Good Taco lost 25¢, to $1.38.

Jerrico plummeted $2, to finish the week at $14.25. Fast Food Operators was down 13¢, to 94¢. American Restaurants was off 38¢, to $2.88.

The price winners list was led by A&M Food Service, which added 38¢ a share, to close at $3.88. The stock, however, flirted with its $3.50, 52-week low during the week.

Other leading winners included Associated Hosts, up $1.38, to $14.63. Mr. Steak, which said it plans to sell its meat-processing operation, gained 13¢, to $1.50.

Chi-Chi's, which posted a 10% year-to-year drop in second-quarter earnings to 17¢ per share, gained 88¢, to finish with $11.25.

VOLUME TREND LEADERS

Company Name	Volume Trend Change %	Company Name	Volume Trend Change %
SIS Cp	213.6	Old Fashion Fd	140.5
Hilton Hotels	211.8	TGIF Texas	138.1
Servico Inc	176.3	Ryans Fam Steak	134.7
Kelly-Johnston	156.2	Luby's Cafe	123.1
Acapulco Rest	141.7	1 Potato 2	100.9

TOP TEN GAINERS

Company Name	Weekly Price Change %	Company Name	Weekly Price Change %
A&M Food Svcs	10.7	Pizza Inn	7.0
Assoc Hosts	10.4	Pillsbury Co	5.9
Mr Steak	9.1	Luby's Cafe	4.2
Chi-Chi's	8.4	So Hospitality	2.9
Victoria Stations	8.0	Horn & Hardart	2.5

TOP TEN LOSERS

Company Name	Weekly Price Change %	Company Name	Weekly Price Change %
SIS Cp	- 27.8	Jerrico Inc	- 12.3
Maverick Rest	- 20.0	Fast Food Oper	- 11.8
Beefsteak Char	- 15.8	Amer Rest	- 11.5
Kelly-Johnston	- 15.4	Ramada Inns	- 10.9
Good Taco	- 15.4	Garcias Scot	- 10.0

		Stock Market											Financial Update													
		Price							Volume						Latest Report			Latest Quarter						Year-to-Date					
Company and Market		12-07-84 Close	Weekly Change Amt.	Weekly Change Pct.	Weekly Range High	Weekly Range Low	52-Week Range High	52-Week Range Low	Weekly Shares Traded Total	Weekly Shares Traded % Out	12-Week Avg. Vol. As % Out	Volume Trend Change	P/E Ratio	Indicated Divd. Rate Amt.	Indicated Divd. Rate Yld.	New Report	Period	Date Ended	Revenue Amt.	Revenue Chg.	Net Income Amt.	Net Income Chg.	E.P.S. Amt.	E.P.S. Chg.	Revenue Amt.	Revenue Chg.	Net Income Amt.	Net Income Chg.	E.P.S. Amt.	E.P.S. Chg.
-		$	$	%	$	$	$	$	(100)	%	%	%	-	$	%	-	-	-	$Mil	%	$Mil	%	$	%	$Mil	%	$Mil	%	$	%
Food-Service Operators																													
A&M Food Svcs	O	3.88	.38	10.7	4.25	3.50	8.75	3.50	118	.33	.31	6.5	11.1	.00	.0	—	9 mos.	09-84	8.1	26.6	.4	.0	.11	- 26.7	22.1	28.5	1.1	22.2	.30	- 14.3
Acapulco Rest	O	3.63	- .38	- 9.4	4.00	3.63	6.00	3.63	289	1.16	.48	141.7	NE	.00	.0	—	9 mos.	07-84	19.0	86.3	.0	- 100.0	.01	- 91.7	28.3	.7	.3	NE	.14	NE
Amer Rest	O	2.88	- .38	- 11.5	3.25	2.75	6.00	2.75	224	.97	.60	61.7	10.3	.00	.0	—	3 mos.	04-84	4.5	21.6	.1	.0	.07	16.7	4.5	21.6	.1	.0	.07	16.7
ARA Services	N	71.13	.00	.0	71.38	71.00	71.38	40.25	2,863	2.38	3.79	- 37.2	13.7	2.10	3.0	—	fiscal	09-84	835.8	7.7	14.2	34.0	1.12	31.8	3406.1	11.4	64.4	19.9	5.19	15.1
Assoc Hosts	M	14.63	1.38	10.4	14.75	12.63	17.13	10.50	2,348	5.31	5.39	- 1.5	17.2	.12	.8	NEW	fiscal	09-84	23.3	.9	.8	- 11.1	.19	- 9.5	94.4	6.9	3.8	18.8	.85	18.1
Beefsteak Char	A	2.00	- .38	- 15.8	2.38	1.88	4.75	1.88	694	1.23	.72	70.8	1.5	.00	.0	—	9 mos.	07-84	19.9	- 12.3	(.4)	NC	.07	600.0	68.7	- 6.4	(1.7)	- 100.0	.30	3.4
Bob Evans Farms	M	17.25	- .25	- 1.4	17.75	17.25	23.75	14.75	1,049	.65	.42	54.8	17.3	.30	1.7	NEW	3 mos.	07-84	54.0	14.2	4.4	7.3	.27	8.0	54.0	14.2	4.4	7.3	.27	8.0
Calibre Cp	M	2.50	- .25	- 9.1	2.75	2.00	9.00	2.00	108	.36	.19	89.5	NE	.00	.0	—	fiscal	07-84	1.1	- 31.3	(.6)	NC	(.20)	- 100.0	11.5	82.5	(1.5)	- 100.0	(.51)	- 100.0
Calny Food	M	8.88	.13	1.4	9.00	8.75	10.75	7.25	248	.55	1.84	- 70.1	15.6	.16	1.8	—	6 mos.	08-84	13.0	19.3	.5	.0	.12	- 7.7	25.0	14.7	1.4	40.0	.31	19.2
Capt Crab	M	1.63	- .13	- 7.1	1.75	1.63	6.13	1.63	1,611	1.41	1.86	- 24.2	NE	.00	.0	—	9 mos.	05-84	2.6	766.7	(.5)	NC	(.04)	NC	3.7	362.5	(.6)	NC	(.05)	NC
Carrols Cp	N	8.88	- .38	- 4.1	9.38	8.75	10.88	7.13	204	.26	.69	- 62.3	13.4	.07	.8	—	3 mos.	08-84	38.3	19.3	2.1	16.7	.28	- 6.7	38.3	19.3	2.1	16.7	.28	- 6.7
Chi-Chi's	M	11.25	.88	8.4	11.63	10.25	24.88	10.00	14,597	5.42	4.52	19.9	16.8	.00	.0	NEW	6 mos.	i0-84	52.3	40.6	4.5	2.3	.16	- 15.8	97.5	34.1	9.5	18.8	.35	2.9
Chilis Inc	O	20.63	- .25	- 1.2	21.00	20.25	24.25	12.75	983	2.19	4.26	- 48.6	35.0	.00	.0	—	3 mos.	09-84	15.0	47.1	.9	125.0	.21	75.0	15.0	47.1	.9	125.0	.21	75.0
Churchs Fr Ch	N	28.75	.25	.9	29.13	28.25	30.50	21.25	1,909	1.01	1.81	- 44.2	15.0	.80	2.8	—	9 mos.	09-84	124.8	13.0	10.4	- 2.8	.55	- 1.8	355.5	17.4	28.1	19.6	1.49	21.1
Collins Foods	N	14.00	- .25	- 1.8	14.50	13.88	16.94	9.91	1,699	1.30	1.05	23.8	11.3	.16	1.1	—	3 mos.	07-84	115.1	24.3	4.8	23.1	.37	19.4	115.1	24.3	4.8	23.1	.37	19.4
Concept Dev	O	6.75	.00	.0	7.00	6.75	17.69	6.00	1,606	3.11	2.09	48.8	13.0	.00a	.0	NEW	3 mos.	09-84	10.9	19.8	.0	- 100.0	.00	- 100.0	10.9	19.8	.0	- 100.0	.00	- 100.0
Consol Prdts	M	5.00	.00	.0	5.00	5.00	9.50	4.75	238	.67	.69	- 2.9	14.3	.00	.0	—	fiscal	09-84	17.3	14.6	.6	20.0	.16	45.5	68.7	8.4	1.3	.0	.35	20.7
Consul Restaurant	M	4.88	.00	.0	5.00	4.50	14.88	4.50	1,350	3.00	2.15	39.5	19.5	.00	.0	—	3 mos.	06-84	21.1	33.5	.0	- 100.0	.01	- 87.5	21.1	33.5	.0	- 100.0	.01	- 87.5
Cracker Barrel	M	14.25	- .75	- 5.0	15.25	13.88	23.50	11.75	229	.64	4.20	- 84.8	15.2	.14	1.0	—	3 mos.	10-84	16.6	18.6	.8	.0	.26	- 13.3	16.6	18.6	.8	.0	.26	- 13.3
Cucos Inc	O	2.75	- .25	- 8.3	3.50	2.75	5.00	2.75	70	.62	.44	40.9	14.5	.00	.0	—	9 mos.	03-84	.7	NC	.1	NC	.03	NC	2.1	NC	.1	NC	.10	NC
Denny's Inc	N	40.88	- .25	- .6	41.50	40.13	41.63	30.25	6,052	3.91	4.23	- 7.6	15.4	.72	1.8	—	3 mos.	09-84	325.4	1.9	12.1	- 12.3	.75	- 11.8	325.4	1.9	12.1	- 12.3	.75	- 11.8
Diversifoods	M	9.88	- .13	- 1.3	10.50	9.75	19.13	9.63	17,552	5.24	10.04	- 47.8	10.9	.26	2.6	—	9 mos.	09-84	148.8	16.0	7.0	- 26.3	.21	- 25.0	420.7	17.1	22.2	- 9.8	.66	- 10.8
DLites Of Amer	O	13.88	- .50	- 3.5	14.50	13.88	14.50	11.50	1,038	2.12	NC	NC	NM	.00	.0	—	6 mos.	09-84	2.3	53.3	.1	.0	.04	100.0	4.7	62.1	.1	.0	.05	25.0
Dunkin Donuts	M	24.00	.25	1.1	24.00	23.50	26.25	18.13	149	.31	.96	- 67.7	13.2	.32	1.3	—	9 mos.	07-84	21.9	30.4	2.3	9.5	.48	17.1	66.4	16.5	7.0	14.8	1.44	16.1
El Chico	M	8.38	- .25	- 2.9	8.75	8.38	14.75	7.75	121	.26	1.68	- 84.5	10.5	.00	.0	—	3 mos.	08-84	21.1	9.9	.9	.0	.20	.0	21.1	9.9	.9	.0	.20	.0
El Torito Rest	N	10.88	- .38	- 3.3	11.13	10.75	14.63	9.00	226	.20	.26	- 23.1	11.8	.00	.0	NEW	9 mos.	09-84	65.9	17.3	4.1	17.1	.35	25.0	189.0	20.5	9.0	32.4	.78	44.4
Fast Food Oper	O	.94	- .13	- 11.8	1.06	0.94	2.44	.69	523	.88	1.10	- 20.0	15.6	.00	.0	—	fiscal	12-83	1.8	38.5	.0	NC	.01	NC	6.1	32.6	.3	.0	.05	20.0
Flakey Jakes	M	6.50	.13	2.0	6.75	6.38	9.13	4.00	1,097	1.57	1.86	- 15.6	NE	.00	.0	—	9 mos.	09-84	3.3	NC	(.3)	NC	(.05)	NC	6.6	NC	(.7)	NC	(.11)	NC
Frisch's	A	14.75	- .50	- 3.3	15.25	14.50	16.38	12.00	136	.31	.17	82.4	16.4	.22	1.5	—	3 mos.	08-84	40.5	7.4	1.7	.0	.19	- 52.5	40.5	7.4	1.7	.0	.19	- 52.5
Fuddruckers Inc	M	10.38	- .63	- 5.7	10.50	10.13	17.50	9.25	1,687	2.59	1.63	58.9	NM	.00	.0	—	9 mos.	09-84	7.2	NC	.6	NC	.09	NC	16.9	172.6	.0	- 100.0	.00	- 100.0
Garcias Scot	M	2.25	- .25	- 10.0	2.50	2.25	8.50	2.00	1,017	1.70	1.50	13.3	NE	.00	.0	—	6 mos.	06-84	12.6	40.0	.2	NE	.03	NE	29.7	57.1	.0	NE	.00	NE
Good Taco	M	1.38	- .25	- 15.4	1.75	1.38	7.00	1.38	246	.83	1.17	- 29.1	NE	.00	.0	—	6 mos.	08-84	.4	100.0	(.3)	NE	(.11)	NE	.8	166.7	(.6)	NE	(.24)	NE
Hamburg Hamlet	O	12.50	.00	.0	13.25	12.50	12.75	9.75	0	.00	.18	-100.0	10.8	.00	.0	—	fiscal	03-84	9.3	2.2	.2	NE	.30	NE	35.5	4.4	.8	NE	1.16	NE
Hungry Tiger	M	4.50	.00	.0	4.50	3.63	9.00	3.63	553	1.96	1.27	54.3	25.0	.00	.0	—	fiscal	08-84	14.9	- 11.8	(.2)	NE	(.05)	NE	67.3	5.5	.5	NC	.19	NC
Intl Dairy Queen	O	41.00	.00	.0	42.00	41.00	41.00	32.50	5	.02	.22	- 90.9	11.9	.00	.0		9 mos.	08-84	40.8	8.2	(26.5)	- 100.0	1.61	15.8	106.5	14.3	6.7	8.1	3.03	20.2
Intl King Tab	M	15.88	.13	.8	16.00	15.50	18.63	11.38	329	1.16	1.98	- 41.4	11.8	.00a	.0	—	3 mos.	09-84	19.2	6.7	1.1	37.5	.36	24.1	19.2	6.7	1.1	37.5	.36	24.1
JB's Rest	M	14.13	- .13	- .9	14.38	14.00	16.25	10.38	439	1.93	1.50	28.7	12.7	.20	1.4	—	9 mos.	06-84	22.2	32.1	1.0	25.0	.42	20.0	48.7	23.0	1.9	26.7	.80	15.9
Jerrico Inc	M	14.25	- 2.00	- 12.3	16.13	14.25	18.63	11.88	5,374	3.42	4.49	- 23.8	11.0	.12	.8	—	3 mos.	09-84	131.9	7.6	6.3	6.8	.39	5.4	131.9	7.6	6.3	6.8	.39	5.4
Kapok Cp	A	2.88	.00	.0	3.38	2.88	5.63	1.13	1,023	4.56	3.23	41.2	NE	.00	.0	—	fiscal	09-83	3.1	72.2	(4.6)	NE	(.33)	NE	12.3	7.9	(2.7)	NE	(1.29)	NE
Karcher Carl	M	15.75	- .25	- 1.6	16.25	15.63	32.75	14.63	510	.72	3.05	- 76.4	9.7	.00	.0	—	6 mos.	07-84	80.7	17.1	3.3	- 2.9	.50	8.7	178.8	19.5	6.9	3.0	.98	7.7
Kelly-Johnston	M	1.38	- .25	- 15.4	1.63	1.38	14.25	1.25	7,934	9.30	3.63	156.2	NE	.00	.0	—	3 mos.	06-84	28.3	155.0	(3.7)	- 100.0	(.44)	- 100.0	28.3	155.0	(3.7)	- 100.0	(.44)	- 100.0
Luby's Cafe	N	27.63	1.13	4.2	28.13	26.38	32.00	23.63	702	.58	.26	123.1	19.3	.54	2.0	—	fiscal	08-84	48.7	32.7	5.0	28.2	.41	28.1	174.9	23.7	17.4	25.2	1.43	24.3
Marcus Corp	M	14.38	- .38	- 2.5	14.63	14.25	15.25	11.38	219	.43	.27	59.3	9.9	.26	1.9	—	3 mos.	08-84	33.5	2.8	2.8	3.7	.55	1.9	33.5	2.8	2.8	3.7	.55	1.9
Marriott Corp	N	70.75	- 1.38	- 1.9	72.50	70.63	80.25	58.50	1,371	.53	.68	- 22.1	15.7	.44	.6	—	9 mos.	09-84	834.2	11.7	35.6	- 2.7	1.33	.8	2402.7	15.1	92.6	10.0	3.41	12.2
Maverick Rest	O	3.00	- .75	- 20.0	3.63	2.88	7.00	2.88	176	.35	.34	2.9	23.1	.00	.0	—	6 mos.	07-84	2.9	NC	.3	NC	.05	NC	5.3	NC	.5	NC	.10	NC
McDonald's Cp	N	50.75	- .75	- 1.5	51.63	50.00	55.88	40.84	6,303	.72	1.14	- 36.8	11.9	.82	1.6	—	9 mos.	09-84	944.7	8.3	114.3	13.6	1.29	14.2	2555.0	12.1	297.9	13.4	3.35	14.7
Morrison Inc	M	17.00	.25	1.5	17.00	16.63	19.13	13.13	653	.48	.94	- 48.9	11.1	.48	2.8	—	3 mos.	08-84	117.9	5.6	4.9	11.4	.36	16.1	117.9	5.6	4.9	11.4	.36	16.1
Mr Steak	O	1.50	.13	9.1	1.75	1.38	3.34	1.13	717	1.50	.89	69.5	NE	.00	.0	—	9 mos.	06-84	17.1	2.4	(.5)	- 100.0	(.12)	- 100.0	49.8	12.2	(.5)	- 100.0	(.11)	- 100.0
Nathans	O	2.25	- .13	- 5.3	2.38	2.25	2.97	1.78	177	.79	.58	36.2	8.7	.00a	.0	—	3 mos.	06-84	6.1	13.0	.4	100.0	.18	63.6	6.1	13.0	.4	100.0	.18	63.6
Natl Pizza	O	7.75	- .25	- 3.1	8.25	7.75	9.75	7.50	248	.46	.41	12.2	10.2	.00	.0	—	6 mos.	09-84	10.4	8.3	.9	- 18.2	.19	- 17.4	20.5	10.8	2.0	- 9.1	.41	- 6.8
Naugles Inc	M	7.13	- .50	- 6.6	7.63	7.00	20.25	7.00	546	1.18	1.73	- 31.8	NE	.00	.0	—	fiscal	06-84	27.2	17.7	.1	- 87.5	.03	- 80.0	114.8	32.4	(5.1)	- 100.0	(1.09)	- 100.0

All data is based on sources believed to be reliable, but its accuracy is not guaranteed. Every effort will be made to correct errors, when discovered, in future issues.

Reporting Period

3 mos. - First quarter of fiscal year
6 mos. - First six months of fiscal year
9 mos. - First nine months of fiscal year
fiscal - Fiscal year
NEW - New report since last issue

General Field Footnotes

NA - Not available or not applicable.
NC - Data required for calculation currently incomplete in our files.
NE - Negative earnings invalidate calculations.
NM - No meaningful figure.
a - Under dividend amount, an 'a' indicates a stock dividend.
b - Indicates cash plus stock dividend when applied to dividend amount column.

Market

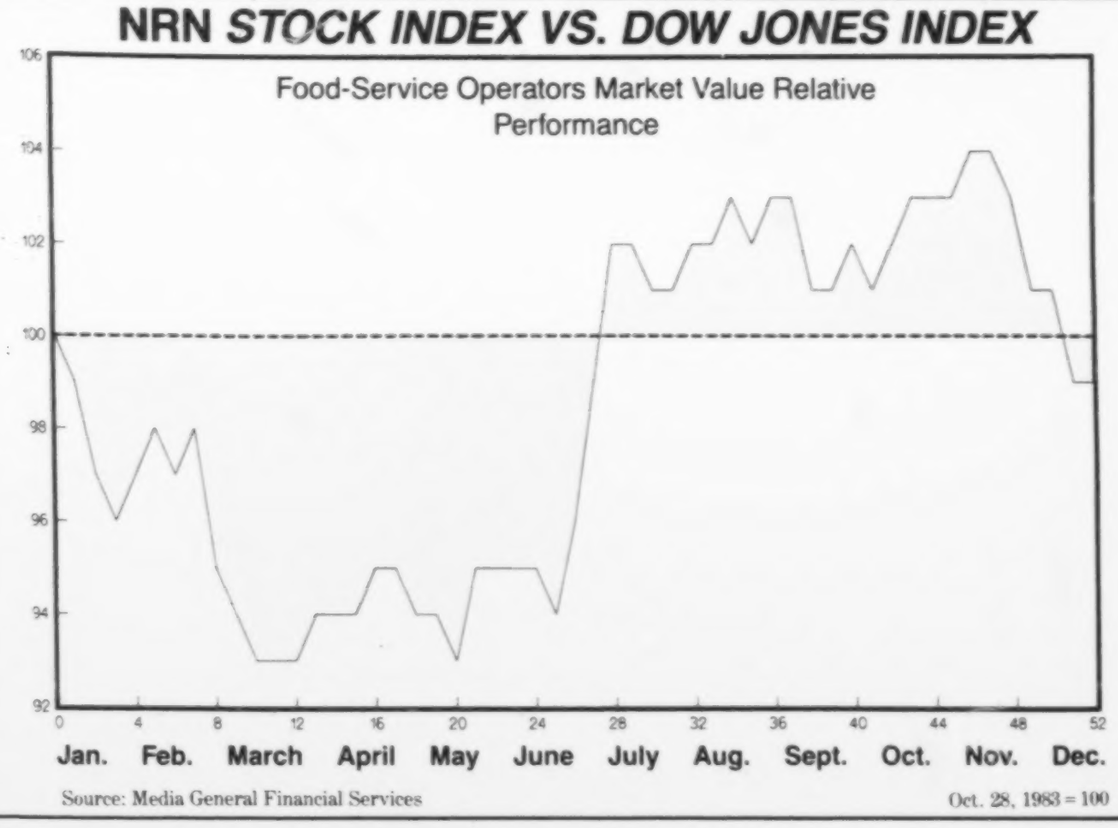
N - New York Stock Exchange
A - American Stock Exchange
O - NASDAQ Over-the-Counter
M - NASDAQ National Market

FOOD-SERVICE CHAIN STOCK ANALYSIS TABLE

NRN *STOCK INDEX*

Source: Media General Financial Services — Oct. 28, 1983 = 100

NRN *STOCK INDEX VS. DOW JONES INDEX*



Source: Media General Financial Services — Oct. 28, 1983 = 100

Company and Market	Stock Market: 12-07-84 Close	Price: Weekly Change Amt.	Price: Weekly Change Pct.	Price: Weekly Range High	Price: Weekly Range Low	Price: 52-Week Range High	Price: 52-Week Range Low	Volume: Weekly Shares Traded Total	Volume: Weekly Shares Traded % Out	Volume: 12-Week Avg. Vol. As % Out	Volume: Volume Trend Change	Financial Update: P/E Ratio	Indicated Divd. Rate Amt.	Indicated Divd. Rate Yld.	Latest Report: New Report	Latest Report: Period	Latest Report: Date Ended	Latest Quarter: Revenue Amt.	Latest Quarter: Revenue Chg.	Latest Quarter: Net Income Amt.	Latest Quarter: Net Income Chg.	Latest Quarter: E.P.S. Amt.	Latest Quarter: E.P.S. Chg.	Year-to-Date: Revenue Amt.	Year-to-Date: Revenue Chg.	Year-to-Date: Net Income Amt.	Year-to-Date: Net Income Chg.	Year-to-Date: E.P.S. Amt.	Year-to-Date: E.P.S. Chg.
	$	$	%	$	$	$	$	(100)	%	%	%	-	$	%	-	-	-	$Mil	%	$Mil	%	$	%	$Mil	%	$Mil	%	$	%
1 Potato 2 O	2.75	- .25	- 8.3	2.88	2.63	12.50	2.63	470	2.15	1.07	100.9	55.0	.00	.0	.....	6 mos.	08-84	3.3	NC	(.6)	NC	(.25)	NC	7.1	NC	(1.0)	NC	(.44)	NC
Old Fashion Fd O	4.75	- .25	- 5.0	5.50	4.75	7.25	4.75	124	.89	.37	140.5	8.6	.00	.0	.....	3 mos.	08-84	3.3	37.5	.2	.0	.13	- 13.3	3.3	37.5	.2	.0	.13	- 13.3
Pancho Mex Buffet M	6.50	.00	.0	6.50	6.00	8.00	5.88	234	.82	.55	49.1	11.8	.13	2.0	NEW	fiscal	09-84	8.8	22.2	.5	.0	.19	11.8	31.6	25.9	1.5	25.0	.55	27.9
Peoples Rest M	.56	- .06	- 10.0	0.63	0.56	8.13	.50	2,921	3.40	6.07	- 44.0	NE	.00	.0		fiscal	06-84	NC	NC	(27.6)	- 100.0	(3.30)	- 100.0	30.6	12.1	(29.6)	- 100.0	(3.54)	- 100.0
Piccadilly Caf M	17.63	- .50	- 2.8	17.75	17.25	24.25	13.13	1,151	1.90	1.00	90.0	10.9	.60	3.4	.....	3 mos.	09-84	46.4	13.7	2.7	92.9	.45	95.7	46.4	13.7	2.7	92.9	.45	95.7
Pizza Inn A	7.63	.50	7.0	7.88	7.00	15.00	6.88	309	1.01	1.13	- 10.6	7.4	.08	1.0	.....	9 mos.	09-84	48.6	24.6	.6	- 33.3	.20	- 33.3	135.6	21.7	2.5	- 13.8	.81	- 12.9
Po-Folks M	10.38	- 1.00	- 8.8	11.13	10.00	16.63	10.25	260	.59	1.00	- 41.0	13.8	.00	.0	.....	fiscal	09-84	31.3	46.9	1.0	150.0	.23	109.1	107.1	53.4	3.3	153.8	.75	102.7
Ponderosa Sys N	12.13	- .75	- 5.8	13.00	11.63	24.88	11.63	2,634	2.75	3.73	- 26.3	7.1	.40	3.3	.....	9 mos.	11-84	122.8	33.8	2.3	109.1	.22	69.2	366.8	32.0	11.5	32.2	1.28	18.5
Primo Inc O	3.38	- .25	- 6.9	3.63	3.38	7.00	2.38	301	1.09	1.38	- 21.0	30.7	.00	.0	.....	6 mos.	03-84	1.0	NC	.1	NC	.03	NC	2.0	NC	.2	NC	.06	NC
Rax Restaurants M	9.50	- .75	- 7.3	10.00	9.00	19.25	9.50	1,123	2.02	1.20	68.3	15.1	.00	.0	.....	3 mos.	10-83	19.0	32.9	1.4	100.0	.23	35.3	19.0	32.9	1.4	100.0	.23	35.3
Rest Assoc A	7.25	- .38	- 4.9	7.50	7.25	9.50	6.50	47	.17	.61	- 72.1	10.2	.00	.0	.....	9 mos.	09-84	35.0	- 4.1	.4	- 33.3	.14	- 39.1	97.8	- 7.3	1.0	- 23.1	.35	- 30.0
Restaurant Sys M	11.75	- .75	- 6.0	12.50	11.75	14.25	9.00	50	.22	.59	- 62.7	13.8	.00	.0	.....	9 mos.	09-84	8.6	17.8	.6	50.0	.25	25.0	27.9	26.2	1.6	60.0	.68	23.6
Ritzys G D M	2.38	- .25	- 9.5	2.50	2.25	9.00	2.25	245	.47	.90	- 47.8	NE	.00	.0	.....	9 mos.	09-84	4.4	NC	(.5)	NC	(.11)	NC	10.6	NC	(1.6)	NC	(.31)	NC
Rusty Pelican M	15.38	- .25	- 1.6	15.75	15.38	18.25	11.38	140	.50	3.13	- 84.0	18.1	.00	.0	.....	fiscal	07-84	11.9	101.7	.7	600.0	.32	220.0	36.5	35.7	1.8	100.0	.85	60.4
Ryans Fam Steak M	17.75	- 1.50	- 7.8	19.25	17.00	23.75	15.50	1,746	4.06	1.73	134.7	25.7	.00	.0	.....	9 mos.	09-84	7.8	39.3	.7	40.0	.17	30.8	22.7	62.1	2.3	64.3	.53	47.2
Saga Corp N	30.50	.13	.4	30.75	30.25	35.50	24.63	759	.58	.97	- 40.2	12.3	.44	1.4	.....	3 mos.	09-84	271.6	14.9	5.7	32.6	.42	20.0	271.6	14.9	5.7	32.6	.42	20.0
Sandwich Chef M	7.88	- .13	- 1.6	8.25	7.50	11.75	6.75	106	.82	.58	41.4	13.6	.00	.0	.....	3 mos.	09-84	6.9	13.1	.2	.0	.16	23.1	6.9	13.1	.2	.0	.16	23.1
Sea Galley M	7.75	.00	.0	7.75	7.50	11.00	7.13	695	1.77	3.89	- 54.5	5.2	.00	.0	.....	9 mos.	09-84	15.7	- 38.9	3.0	500.0	.76	484.6	48.3	- 32.7	5.3	1666.7	1.35	1587.5
Shoney's Inc M	29.88	.25	.8	30.00	29.63	35.13	20.00	2,085	1.09	.98	2.0	21.6	.16	.5	.....	9 mos.	07-84	117.8	24.9	8.2	26.2	.39	25.8	360.0	22.4	21.9	28.1	1.06	24.7
Shoney's South M	13.00	- .75	- 5.5	13.88	13.00	16.59	11.00	239	.43	.66	- 34.8	11.0	.00	.0	.....	9 mos.	09-84	40.1	14.2	1.8	12.5	.32	18.5	127.3	17.2	5.8	48.7	1.00	23.5
SIS Cp M	3.25	- 1.25	- 27.8	4.00	3.25	9.75	3.25	214	1.38	.44	213.6	23.2	.00	.0	.....	fiscal	12-83	1.5	114.3	.0	NC	.01	.0	4.5	87.5	.2	NC	.14	1300.0
Sizzler Rest Intl M	15.25	.25	1.7	15.25	14.50	18.75	8.75	432	.64	.56	14.3	12.2	.00	.0		3 mos.	07-84	40.0	11.7	2.5	25.0	.37	27.6	40.0	11.7	2.5	25.0	.37	27.6
Skippers M	10.00	.00	.0	10.25	9.88	11.25	8.00	393	1.44	.83	73.5	12.2	.06	.6	.....	9 mos.	09-84	14.5	20.8	.5	25.0	.18	20.0	42.3	23.7	1.6	14.3	.60	1.7
So Hospitality M	4.50	.13	2.9	4.50	4.38	5.13	3.75	311	.65	1.36	- 52.2	13.2	.00	.0	.....	3 mos.	08-84	10.7	33.8	.4	33.3	.08	14.3	10.7	33.8	.4	33.3	.08	14.3
Taco Viva M	7.75	.00	.0	8.00	7.50	10.00	7.00	116	.51	.74	- 31.1	18.5	.00	.0	.....	3 mos.	08-84	6.6	94.1	.3	50.0	.14	16.7	6.6	94.1	.3	50.0	.14	16.7
TGI Friday's N	7.88	- .88	- 10.0	8.88	7.88	17.63	7.88	1,975	1.73	.91	90.1	13.3	.00	.0	.....	9 mos.	09-84	72.9	15.2	2.2	- 37.1	.13	- 40.9	209.4	20.0	8.7	.0	.48	- 11.1
TGIF Texas O	2.25	- .13	- 5.3	2.75	2.25	7.38	2.25	76	.50	.21	138.1	NE	.00	.0	.....	3 mos.	03-84	2.6	NC	(.1)	NC	(.07)	NC	2.6	NC	(.1)	NC	(.07)	NC
Transworld N	30.38	- .25	- .8	31.13	30.38	33.53	23.63	2,689	.95	3.16	- 69.9	4.3	.40	1.3	.....	9 mos.	09-84	511.4	4.2	36.3	64.3	1.12	143.5	1479.1	7.1	85.5	89.6	2.39	NE
USACafes M	3.50	.00	.0	3.75	3.50	5.00	2.75	37	.07	.34	- 79.4	NA	.00	.0	.....		00-00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Vicorp Restaurants M	14.75	- 1.13	- 7.1	15.38	14.50	22.00	13.25	251	.38	2.15	- 82.3	12.4	.12	.8	.....	9 mos.	07-84	67.7	127.9	2.7	68.8	.41	57.7	155.1	167.4	5.8	100.0	.87	64.2
Victoria Stations M	3.38	.25	8.0	3.38	2.88	9.13	2.75	1,379	3.90	8.59	- 54.6	NE	.00	.0	.....	6 mos.	09-84	22.2	- 3.5	(1.7)	NE	(.47)	NE	45.9	- 3.6	(2.5)	NE	(.70)	NE
Wendys Intl N	17.13	.13	.7	17.38	16.75	20.50	13.13	6,237	1.14	1.26	- 9.5	14.3	.28	1.6	.....	9 mos.	09-84	249.0	31.1	18.8	16.8	.34	13.3	694.9	34.1	51.1	26.5	.93	25.7
Wstrn Steer O	10.00	- .25	- 2.4	11.00	10.00	13.25	9.00	21	.17	.47	- 63.8	10.9	.20	2.0	.....	6 mos.	08-84	10.3	30.4	.1	- 66.7	.07	- 65.0	19.8	26.1	.4	- 20.0	.33	- 23.3
Winners Cp N	5.38	- .50	- 8.5	6.00	5.13	16.13	5.13	916	2.09	3.00	- 30.3	11.0	.00	.0	.....	9 mos.	09-84	27.3	14.2	.2	- 75.0	.05	- 72.2	79.7	26.5	1.3	- 35.0	.30	- 31.8
Hotels, Motels, and Casinos																													
Am Motor Inns A	21.25	.00	.0	21.38	21.25	21.75	12.50	39	.03	.13	- 76.9	13.4	.16	.8	.....	fiscal	07-84	52.8	17.1	5.9	25.5	.51	- 38.6	201.1	23.8	18.4	32.4	1.59	- 36.9
Brock Hotel Cp N	3.13	- .13	- 3.8	3.38	3.00	7.50	3.00	2,773	2.10	1.48	41.9	NE	.10	3.2	.....	9 mos.	09-84	60.0	- 26.7	(25.6)	NE	(1.95)	NE	211.0	- 10.6	(29.4)	NE	(2.00)	NE
Hilton Hotels N	55.13	.63	1.1	55.50	54.00	59.25	45.50	8,332	3.18	1.02	211.8	22.1	1.80	3.3	.....	9 mos.	09-84	205.4	24.4	24.3	- 45.8	.93	- 44.3	504.9	3.1	68.0	- 22.3	2.56	- 21.5
Holiday Inns N	40.25	- .63	- 1.5	41.13	39.13	51.75	35.25	3,324	.93	1.90	- 51.1	11.8	.90	2.2	.....	9 mos.	09-84	473.9	6.2	49.7	4.2	1.37	9.6	1328.9	11.5	110.4	1.3	3.00	4.9
Prime Mtr Inn N	22.50	- 1.13	- 4.8	23.75	22.50	25.50	16.00	331	.23	.43	- 46.5	18.8	.12	.5	.....	fiscal	06-84	22.1	29.2	4.6	27.8	.32	18.5	72.5	45.0	17.3	36.2	1.20	21.2
Ramada Inns N	5.13	- .63	- 10.9	5.75	5.13	11.00	5.13	5,978	1.91	1.88	- 14.4	17.1	.00	.0	.....	9 mos.	09-84	156.3	- 3.5	6.0	- 65.5	.16	- 67.3	448.0	2.3	6.8	74.4	.18	1700.0
Service Inc M	17.50	- 1.00	- 5.4	18.00	17.00	24.50	13.50	327	1.05	.38	176.3	12.0	.00a	.0	.....	6 mos.	06-84	47.3	21.3	1.9	- 9.5	.60	- 11.8	90.2	24.8	2.8	47.4	.89	43.5
Sonesta Intl O	19.00	.00	.0	21.00	19.00	19.00	16.50	10	.06	.05	20.0	NE	.30	1.6	.....	6 mos.	06-84	24.0	12.1	2.1	- 4.5	1.38	.7	39.5	9.1	.0	- 100.0	(.03)	- 100.0
Other Companies with Food-Service Operations																													
Allegheny Bev M	16.63	- .13	- .7	17.00	15.75	20.00	13.50	584	.97	1.94	- 50.0	10.9	.80	4.8	.....	9 mos.	09-84	167.3	27.2	2.4	- 11.1	.38	- 9.5	486.1	23.2	7.1	- 12.3	1.10	- 12.0
Ch Full O Nut N	8.50	- .13	- 1.4	9.00	8.38	14.56	7.75	499	1.08	.70	54.3	94.4	.48	5.6	.....	fiscal	09-84	30.5	10.1	(.9)	- 100.0	(.19)	- 100.0	117.4	5.2	.4	- 91.1	.09	- 89.7
Disney, Walt N	57.50	- 1.13	- 1.9	58.63	56.63	68.50	45.25	4,787	1.42	3.91	- 63.7	21.1	1.20	2.1	.....	fiscal	09-84	463.2	27.6	12.1	- 50.6	.38	- 45.7	1656.0	26.7	97.8	4.9	2.73	1.1
Esteban Foods O	1.25	.00	.0	1.38	1.25	4.63	1.25	151	.64	1.37	- 53.3	NM	.00	.0	.....	9 mos.	09-84	3.5	34.6	.0	NC	.02	.0	9.8	25.6	(.1)	- 100.0	(.02)	- 100.0
Gen Mills N	49.00	- 1.00	- 2.0	50.13	48.38	60.00	41.63	6,879	1.52	1.05	44.8	10.5	2.24	4.6	.....	3 mos.	08-84	1386.4	.6	54.1	- 25.4	1.20	- 21.1	1386.4	.6	54.1	- 25.4	1.20	- 21.1
Horn & Hardart A	10.13	.25	2.5	10.13	9.50	22.25	8.63	1,680	1.36	2.38	- 42.9	11.8	.00a	.0	.....	9 mos.	09-84	85.8	6.6	.5	- 87.8	.00	- 100.0	265.9	11.1	6.6	- 27.5	.49	- 31.9
Ogden Corp N	26.25	- 1.13	- 4.1	27.25	25.88	31.00	24.13	1,625	.86	1.26	- 31.7	11.9	1.80b	6.9	.....	9 mos.	09-84	512.8	23.7	8.2	- 44.6	.46	- 38.7	1612.4	28.5	31.4	- 23.0	1.63	- 21.3
PepsiCo Inc N	41.25	- 1.88	- 4.3	43.13	39.88	45.75	34.50	13,454	1.43	1.10	30.0	12.0	1.68	4.1	.....	9 mos.	09-84	1934.3	8.0	108.6	14.2	1.14	14.0	5425.9	13.3	247.6	19.7	2.61	19.2
Pillsbury Co N	42.63	2.38	5.9	42.88	40.00	44.63	33.00	3,310	.76	.77	- 1.3	10.6	1.56	3.7	.....	3 mos.	08-84	1023.5	10.1	38.9	11.8	.90	12.5	1023.5	10.1	38.9	11.8	.90	12.5
Vie de France M	12.50	.00	.0	12.50	12.00	15.25	10.50	249	.23	.50	- 54.0	21.2	.23	1.8	.....	3 mos.	09-84	14.2	19.3	1.4	16.7	.13	8.3	14.2	19.3	1.4	16.7	.13	8.3

All data is based on sources believed to be reliable, but its accuracy is not guaranteed. Every effort will be made to correct errors, when discovered, in future issues.

Reporting Period

3 mos. - First quarter of fiscal year
6 mos. - First six months of fiscal year
9 mos. - First nine months of fiscal year
fiscal - Fiscal year
NEW - New report since last issue

General Field Footnotes

NA - Not available or not applicable.
NC - Data required for calculation currently incomplete in our files.
NE - Negative earnings invalidate calculations.
NM - No meaningful figure.
a - Under dividend amount, an 'a' indicates a stock dividend.
b - Indicates cash plus stock dividend when applied to dividend amount column.

Market

N - New York Stock Exchange
A - American Stock Exchange
O - NASDAQ Over-the-Counter
M - NASDAQ National Market

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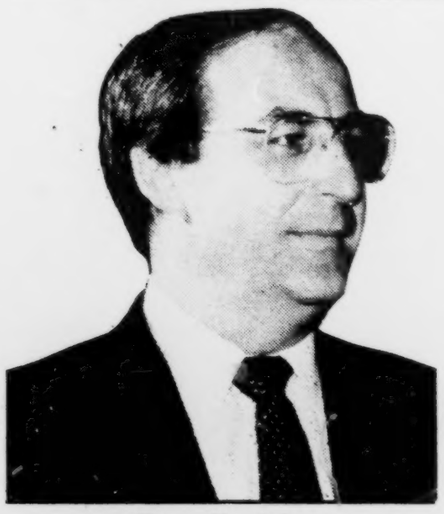
Nation's
Restaurant News®
The Weekly Newspaper of the Food-Service Industry

Vol. 19, No. 1 | Published every Monday by Lebhar-Friedman Inc.; $1 a copy, $18 a year | January 2, 1985



Don Smith

Trouble stalks Don Smith

Diversifoods staggered by sales slump, buyout bomb

By Don Jeffrey

ITASCA, Ill. — Diversifoods and its highly regarded president-chief executive Don Smith were on the ropes shortly after an unsuccessful attempt by Smith and other officials to take the multiconcept company private in a leveraged buyout.

Smith, a 43-year-old veteran of McDonald's, Burger King and PepsiCo's Pizza Hut and Taco Bell who was hailed last year by an analyst as "the single most impressive restaurateur in fast food today," so far has failed to meet the high expectations of Diversifoods' investors and franchisees.

In the year since Smith's arrival after Diversifoods was formed by the merger of Chart House and Godfather's Pizza, Wall Street has soured on both the company and Smith. Investors worry about Diversifoods' sharply declining profits and its inability to turn around the ailing 900-unit Godfather's.

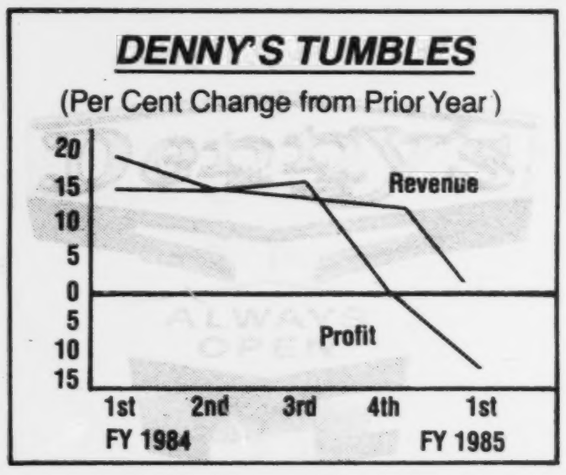
In addition, vice chairman William Theisen, Godfather's founder, and William Hyde,

*(See **SMITH**, page 63)*

Denny's readies daytime push as late-night traffic counts sag

By Richard Martin

LA MIRADA, Calif. — Softening late-night customer traffic has hurt 24-hour Denny's, presenting the giant corporation's top executives—who are currently besieged by details of their pending leveraged buyout—with a spate of new marketing and operations challenges.



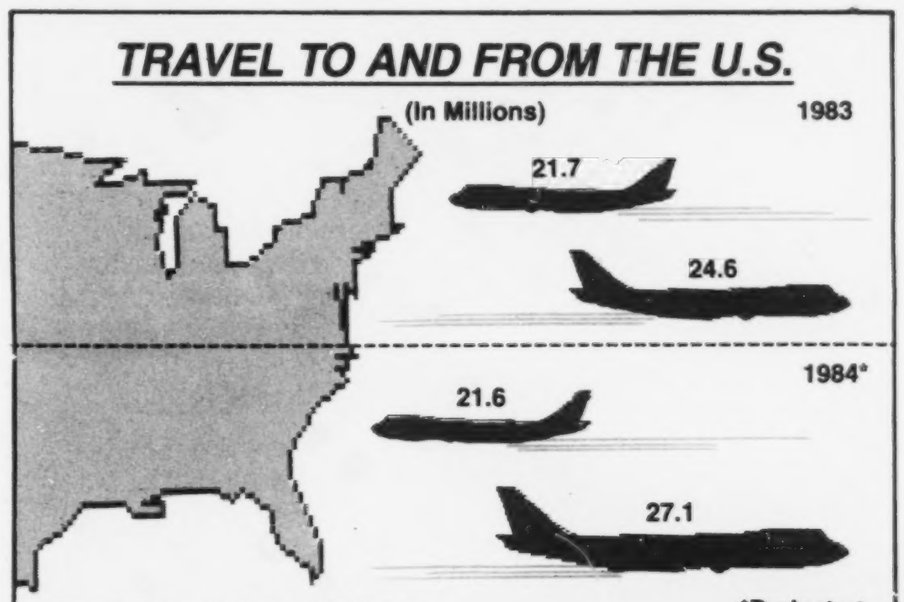
The coffee shop segment leader, experiencing the same sluggish year-to-year sales trends that are plaguing most other 24-hour systems, is reportedly poised to begin tests of new menu items and ad campaigns designed to shore up its stronger day parts.

Dinner entrées and luncheon salads are reportedly among the dishes being readied for tests, which may advance to rollouts by spring or summer.

Continuation of the less than $2 bargain breakfasts, and upgrading and upscaling of many lunch and dinner menu items, would help offset the slackness of late-night and all-night traffic that has kept average unit sales low, sources close to Denny's indicate.

Operators in the 24-hour coffee shop segment have blamed fast feeders who stay open later for incursions into

*(See **DENNY'S**, page 63)*



The strong U.S. dollar helped boost tourism abroad by more than 10% in 1984. At the same time, the number of foreign travelers coming to the United States continued to slide, aggravating already low hotel occupancy rates here and forcing operators to seek new ways to market themselves to foreign tourists. See page 4 for full details.

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Cod supply shortfall looms

Higher prices may cut into seafood operators' profits

By Patt Patterson

BOSTON — The supply of cod blocks and slabs, the raw material from which fish portions are processed, has dropped significantly over the past three months. Some fast-seafood operations have expressed concern severe shortages will occur in supplies of finished product. They said escalating prices would then put them at an economic disadvantage with burger and chicken competitors for fast-food customers.

How severe the shortage is, or even if there is any shortage at all, depends upon who is contacted. Worry tends to be greatest with independent operators and food-service distributors. On the other hand, major seafood chains decline to even discuss it. Processors, with the exception of one of the largest in the industry, also refused to speculate on the situation.

*(See **SHORTFALL**, page 9)*

While the supply of cod blocks and slabs has dropped in the past three months, the full effect of the shortage is unclear.

Foreign tourists stay home

Strong U.S. dollar to blame for $46.4 million in lost revenues

By Peter Romeo

Foreign tourist arrivals continued to plummet in 1984, robbing American hotels and restaurants of more than $46.4 million in revenues, according to preliminary figures provided by the U.S. Travel and Tourism Administration (USTTA).

The United States' dwindling share of the world tourism market was further whittled away by the sharpest increase ever recorded in the number of American citizens traveling abroad. Last year 27.1 million Americans departed for foreign destinations, representing a jump of 10.2%, or 2.5 million travelers, over the 1983 totals.

If those travelers spent an average of $697 per trip, as USTTA figures indicate they did in 1983, the loss to tourism-dependent businesses in the United States amounted to almost $19 billion.

And, travel associations say, individual hoteliers, tourism analysts and economists, the situation is only going to get worse.

"We had 13% of the world tourism market in 1976, and now we have 10.6%," says Betsy Bromberg, marketing committee chairman for the American Hotel and Motel Association. "If present conditions prevail—and economists are convinced they will—we'll almost undoubtedly go below 10%."

'We had 13% of the world tourism market in 1976, and now we have 10.6%. If present conditions prevail, we'll almost undoubtedly go below 10%.'

A 1% drop in market share, tourism observers say, represents a $1 billion drop in revenues.

Last year alone foreign traveler arrivals fell to 21.6 million, down 0.5% from the already paltry 21.7 million recorded in 1983, and 9% from the 1981 figure, the USTTA statistics show.

To make matters worse, "the individual property"—whether a hotel, tourist-oriented restaurant or theme park—"can't do anything about it," says Robert Mackey, director of sales for New York City's Vista Hotel.

"A lot of people overseas want us to cut our rate, but you just can't do that," he explains. "So the only option you have is to keep your hotel pleasant and appealing, so that when the economic situation changes, they [foreign travelers] will come back to you."

But on a municipal, county or state level, Bromberg says, hotels, restaurants and other tourist attractions can at least try to attract more European travelers by combining their services into a complete travel package.

"A hotel can go to a restaurant and say, 'You contribute a meal for two,' and then ask a theater to provide two tickets. The hotel will provide the room nights," she says. "Then they can price it and present it to European travelers and travel agents as a complete European-style plan.

"People over there are used to that type of thing. So they'll probably find it attractive."

Bromberg says that hotels in several cities are already moving in that direction. The property represented by Mackey is a case in point.

"The Vista has teamed up with Windows on the World [a posh restaurant situated atop the nearby World Trade Center] to put together a 'Best of Both Worlds' package for tour operators," Mackey says.

"We provide a night in the hotel and a bottle of champagne. Windows on the World provides its grand buffet." The package deal is offered for Friday and Saturday nights at a cost of $69 per person per night.

A one- or two-night package, however, is not about to prompt a couple in Europe to board a plane for New York. But it is nevertheless an effective lure for foreign travelers, Mackey thinks, because of a concept that Bromberg calls "looping in."

As a number of hoteliers in Miami, Chicago, Los Angeles and other gateway cities noted, the drop in foreign tourism receipts is being caused not only by a decline in the number of guests from abroad but also by a decrease in the length of their stay.

As a result, though gateway cities are feeling a pinch, inland attractions like the Grand Canyon, Las Vegas or Zion National Park are feeling the worst effects of the drop in foreign traveler arrivals. With less time to spend here, tourists from abroad are tending to forgo "add-on" excursions to those locales.

To compensate, Bromberg says, individual attractions and local tourism boards are trying to "loop in" to the attractions and promotional campaigns of larger cities or favorite vacation areas. "Once you get a traveler in New York City, you also want him to extend his stay a bit, to also visit Atlantic City or Vermont."

Or, in the case of the Vista, a hotel located on the southern tip of Manhattan, to lure in foreign travelers drawn to the more popular midtown area of New York.

Though Bromberg believes that packaging and looping in can have an effect on the imbalance between foreign departures and arrivals, she says that the true remedy is a massive increase in promotional spending on the part of the Federal Government.

International tourism represents billions of dollars in tax revenues. "Other countries have realized it and are promoting themselves heavily," she says.

The United States, on the other hand, spent only $16,000 to promote itself as a tourism attraction in 1984.

In addition, there are doubts that the Federal Government's main promotional body, the USTTA, will even be in existence in 1986.

COMMODITIES

Early '85 vegetable pack plentiful; prices stable

By Patt Patterson

The supply of most processed vegetables is good this year. Quantities of a few have risen enough to affect food costs. Some menu shifting might be required in order to hold food costs down, but there are both canned and frozen vegetables in good supply, with prices at last year's levels or below.

Looking at the overall packs, most vegetables, if not up in stocks over last year at this time, are still plentiful. There are no great surprises in store for the operator, but the market should be followed closely.

The prices quoted are *not* the prices a food-service operator will pay, but instead are the prices charged—usually in truckload quantities—by the manufacturer or packer f.o.b. their dock. They are used merely to make clear comparisons from one period to another. The price paid by the operator will—in general—follow the trends set by the packer prices.

One of the most abundant canned vegetables is corn, both whole kernel and cream-style. This is one product that actually shows a price decline over last year at this time—about 21%. In early December 1983, 6/10 Fancy whole kernel corn was $12 a case at Midwest packer docks. In mid-December 1984, as *NRN* went to press, the price being quoted was $9.50, and some additional allowances were available. Northwest prices were a little lower, at $11.75, and New York State prices were substantially lower, at $10.25.

Midwest canned peas were moving up on tighter supplies, although the price hikes in mid-December were small, averaging about 4% to 6% at retail. Food-service prices, expected to be hit by the same tighter supply situation, had not yet risen.

New York State green beans were also moving up on the retail sizes, with food-service prices remaining steady for the time being. Expect price boosts to hit the 6/10 pack sometime this month.

Beet rises have also been slight, about 2.5% to 5%. This year's Midwest pack of medium sliced 6/10's is quoted at $9.75-$10.25, compared to $9.50-$9.75 last year at this time.

The sweet potato crop in the Ozarks was smaller than anticipated, with higher prices to the packers. California packs were up about 50¢ a case to $16.40 on 6/10 Fancy cuts. Louisiana packers were holding their price at $13.75, compared to $15 last year, but have already pushed retail prices up 15¢ to 20¢ a case.

Mushrooms are definitely down in price. Domestic packs of No. 1 pieces and stems in 6/10's are being quoted at $31, down from $36 to $40 last year. Imported pieces and stems are $29 to $30. Last year they were running $32 to $34 a case.

Asparagus Fancy cuts and tips from Michigan were also down. This year they are $32 to $32.50, compared to $33 to $35 a year ago. Mid-Atlantic packs show a narrowing of the spread, from $30 to $32.50 last year to $32 now.

Tomatoes are down everywhere, substantially in California, where prices have dropped by about 14% on the 6/10 Standard peeled pack, from $12.25-$12.75 to this year's $10.50-$11. Midwest pack prices are being quoted at 2% to 4% down from last year, and mid-Atlantic prices are down 4% to 6%.

* * *

Although the fresh broccoli crop is coming in abundantly, frozen broccoli prices firmed up in mid-December, with 1¢-2¢-a-pound increases expected on food-service packs. This, despite the fact that stocks of California Grade A spears in November were up 10% and cuts up 27%. Prices before the hike were already up from 4% to 8% over last year at the same time.

Idaho Extra Fancy long potato prices were up 13% to 17% this year, although Idaho potato farmers brought in a bountiful crop. Maine Fancy longs were also up, but by only 3.5%.

*(See **VEGETABLE**, page 9)*

PRICE MOVEMENT AT A GLANCE

	Dec. 13, 1983	Nov. 13, 1984	Dec. 13, 1984
Beef, Choice, 700-900 lb., Midwest (lb.)	$ 0.99	$1	$1.02
Broccoli, No. 1, fresh, Calif. (14s)	$ 7-$8	$8-$9	$5-$6
Broilers, Grade A dressed, icepack, N.Y.C. (lb.)	$ 0.5899	$0.5603	$0.5270
Cod blocks, imported, 4/16 lb., Boston (lb.)	$ 1.16-$1.18	$1.02	$1.02-$1.06
Eggs, Grade A, large white, Chicago (doz.)	$ 0.98	$0.71-$0.73	$0.65-$0.67
Hams, canned, imported, large, 11 lb., Polish (lb.)	$ 1.56-$1.60	$1.67-$1.69	$1.54
Hams, cured, domestic, Midwest, 17-20 lb. (lb.)	$1	$0.93	$0.96
Lobster tails, Brazilian, 4 oz. (lb.)	$10.35	$9.75	$9.65
Lettuce, iceberg, No. 1, Calif. (24s)	$ 8-$9	$3-$3.50	$3.50-$4
Pork loins, No. 1, 14-17 lb., Midwest (lb.)	$ 0.84	$0.875	$0.94

Source: NRN *Research*

Prices listed are packers' f.o.b. plant, unless specified; and do not represent the prices paid by the operator. This list is only a reference to indicate price trends against benchmarks of one year ago and one month ago. Products listed are those showing marked movement in price.

FOCUS | NRN

COVER STORY

1985 OFF TO A SLOW START, ECONOMY MAY GET BETTER

By Rick Telberg
Financial Editor

Chastened by an explosive recovery that fizzled fiendishly fast, many restaurant operators now say they expect the new year will get off to a slow start but will finish with a bang.

"Nineteen Eighty-five will be a soft year," said Mike Fuller, president of the 227-unit Mr. Steak chain in Denver. "Already you're starting to see a lot of couponing. That tells you business is falling into the doldrums.

"But it should start to pick up again next summer," Fuller forecast, "if for no other reason than that the year-to-year comparisons against a sluggish period this year will start coming out."

Many restaurant operators have pulled in their horns to wait for a signal from the Christmas selling season, a move by the Federal Reserve Bank to loosen credit, or action in Washington on taxes and the deficit.

"Right now most companies have slowed down and are evaluating things," said Donald Jackson, chief financial officer at the 650-unit Ponderosa chain in Dayton, Ohio. "No one wants to overreact to what may be a temporary situation."

Most economists predict barely a 3% gain next year in real gross national product growth, which is less than half 1984's estimated 7% rate. But few are forecasting a genuine recession, which calls for two consecutive quarters of broad-based contraction.

The Value Line Investment Survey, widely followed by Wall Street investors, predicts a flat, zero-growth first quarter and a negative 2% second quarter, but a 6% boom in real GNP growth by the fourth quarter of this year.

The National Restaurant Association (NRA) in Washington predicts 1985 "will be the industry's fifth consecutive year of sales growth and the third consecutive year of strong sales growth," in the words of chairman Harris Machus.

The trade group's widely quoted forecast calls for the total food-service industry to grow to $178 billion this year, an 8.2% rise over 1984. After subtracting menu price inflation of 4.9%, the NRA calculates real growth of 3.2%.

THE FORECAST: CONTINUED—BUT SLOWER—GROWTH

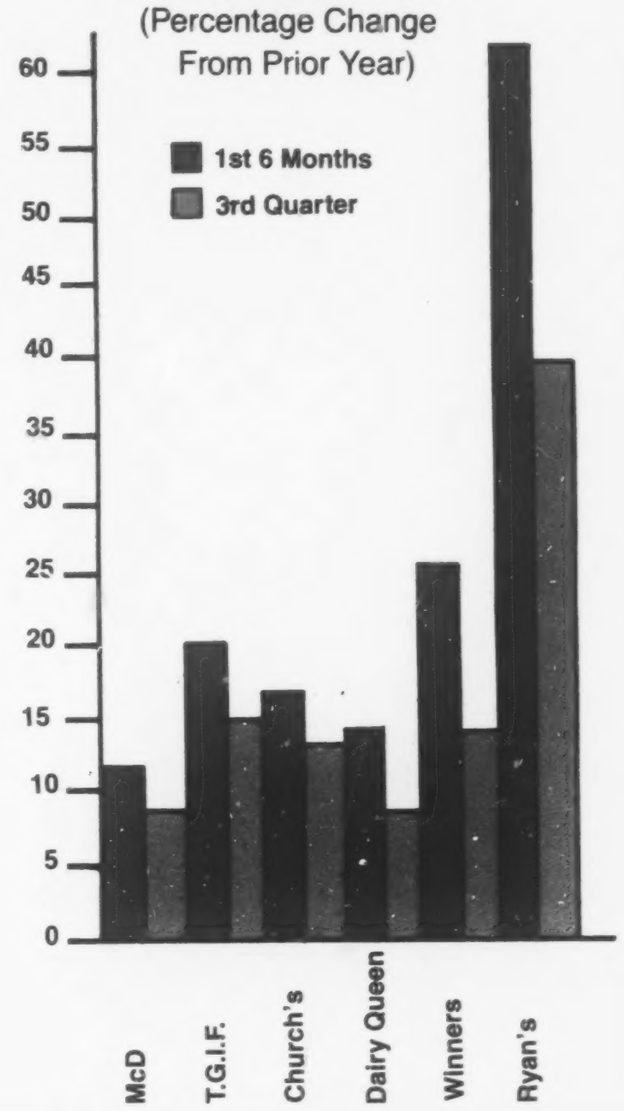
(Percentage Change From Prior Year)

*National Restaurant Association forecast

Source: *NRN* research

CHAIN SALES SLOW IN 3RD QUARTER

(Percentage Change From Prior Year)



The 1985 3.2% growth rate would be slower than last year's. But then 1984 surprised most experts.

The NRA upgraded its 1984 forecast in a midyear review, raising its sights to a 4.1% real growth rate—and later, 4.2%—from the 3.5% pace expected at 1983's year-end. At the same time the NRA scaled back its 1984 menu inflation estimate to 4.6%, from 5.3%.

But many operators are still smarting from a midsummer sales slowdown that shows few signs of abating soon. Early on, operators blamed the Olympics and the presidential campaign for keeping diners glued to their TV sets, but it now seems clear to many analysts that the slowdown coincided with a generally cooling economy.

Government data suggest the sluggishness hit industrywide in the second quarter, when real growth braked to 3.6% annually, down from 6.4% in the first quarter.

The larger chains held off the slide until the third quarter, but the casualties were legion. For instance, McDonald's, which charted a 12% year-to-year sales gain in the first half of the year, slowed to an 8% rate in the third quarter. T.G.I. Friday's, up 20% in the first six months, decelerated to 15% in the September-ending quarter. Church's slowed to 13% from 17%. Dairy Queen dropped to 8% from 14%. Ryan's slipped to 39% from 62%. And Winners Corp. slogged to 14% from 27%.

Wall Street reacted violently to dashed hopes. From a high of 110 in January, *Nation's Restaurant News'* broad stock index plummeted to 91 in May. Few restaurant stock watchers have many "buy" signals right now, foreseeing a listless market that hates disappointments.

But most economists see interest rates holding steady, if not edging downward, in 1985. as the Federal Reserve eases credit to spur business activity.

In addition, the number of jobholders may continue to rise even as the unemployment rate ticks upward, analysts say, terming the phenomenon a "growth recession."

Most analysts also predict that restaurant food and labor costs could remain low and steady through much of this year.

Analysts note that there have been no serious moves in Congress to raise the minimum wage, now pegged at $3.35.

And no shocks are expected in the price of beef, a hefty component of restaurant food costs, which has remained dead even with year-ago levels.

While fearing that the nation may already have slipped into a mild recession, Joseph Madigan, chief financial officer at Wendy's International in Dublin, Ohio, said, "The good news is that inflation seems pretty much licked.

"The best thing for people who sell food," he added, "is stable prices. It instills confidence in consumers to spend money."

BLOW-UP: 1984 SO FAR

(Percentage Change From Prior-Year Period)

Month	Sales	Menu Prices	Real Growth
January	9.3%	3.8%	5.5%
February	13.1	4.4	8.7
March	9.1	4.1	5.0
April	7.0	4.1	2.9
May	7.9	4.4	3.5
June	8.8	4.4	4.4
July	6.1	4.4	1.7
August	11.4	4.7	6.7
September	7.2	4.3	2.9
October	5.8	—	—

Source: *NRN* research

Nation's Restaurant News' annual Forecast & Trends report is being published in three parts this year.

Part 1, which appears here, features reports on the economy, chain restaurants, independents, food trends, commodities prices, buying trends and fresh produce.

Part 2, in the Jan. 7 issue, will feature the Washington outlook, with reports on pending legislation, tax reform and plans of the regulatory agencies as they pertain to food service. The outlook for hotels, hotel food service and advertising and promotions will also be discussed.

Part 3, which will appear in the Jan. 14 issue, will feature the State Legislative outlook, including news about antidrunk-driving campaigns all across the country.